

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:)	Chapter 11
)	
EAT HERE BRANDS, LLC, <i>et al.</i> ¹ ,)	Lead Case No. 19-61688-WLH
)	
Debtors.)	Jointly Administered
_____)	

**GLOBAL NOTES, RESERVATION OF RIGHTS, AND
STATEMENT OF LIMITATIONS, METHODOLOGY AND
DISCLAIMER REGARDING DEBTORS' SCHEDULES AND SOFAs**

Eat Here Brands, LLC, Babalu Atlanta #1 LLC, Babalu Atlanta #2 LLC, Babalu Knoxville #1 LLC, Babalu Memphis #1 LLC, Babalu Memphis #2 LLC, Babalu, LLC, and Babalu Birmingham #1 LLC (collectively, the “Debtors”) are contemporaneously filing these Global Notes (as defined below) as a supplement to and integral part of their respective Schedules of Assets and Liabilities (the “Schedules”) and respective Statements of Financial Affairs (the “SOFAs”) filed in the Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the “Bankruptcy Court”). The Debtors prepared their Schedules and SOFAs pursuant to section 521 of Title 11 of the United States Code, as amended (the “Bankruptcy Code”), and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), with the assistance of their advisors. These *Global Notes, Reservation of Rights, and Statement of Limitations, Methodology and Disclaimer Regarding Debtors' Schedules and SOFAs* (the “Global Notes”) pertain to, are incorporated by reference into, and comprise an integral part

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Eat Here Brands, LLC (9694); Babalu Atlanta #1 LLC (4025); Babalu Atlanta #2 LLC (5240); Babalu Knoxville #1 LLC (3163); Babalu Memphis #1 LLC (9320); Babalu Memphis #2 LLC (4558); Babalu, LLC (7673); and Babalu Birmingham #1 LLC (1892). The Debtors' mailing address is 9755 Dogwood Road, Suite 200, Roswell, Georgia 30075.

of, each of the Schedules and SOFAs, and should be reviewed in connection with any review of the Schedules and SOFAs.

General Disclaimer

1. The Schedules and SOFAs are unaudited and subject to potential adjustment. In preparing the Schedules and Statements, the Debtors and their professionals relied on financial data derived from their respective books and records that was available at the time of preparation. The Debtors and their professionals have made reasonable efforts to ensure that the Schedules and SOFAs are as accurate and complete as possible under the circumstances; however, subsequent information or discovery may result in changes to the Schedules and SOFAs and errors or omissions may exist.

2. The Debtors reserve all rights to amend or supplement their Schedules and SOFAs from time to time, in all respects, as may be necessary or appropriate, including the right to dispute or otherwise assert offsets or defenses to any claim reflected on the Schedules and SOFAs as to any amount, liability, classification, identity of debtor or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.” Furthermore, nothing contained in the Schedules, SOFAs, or the Global Notes shall constitute a waiver of any of the Debtors’ rights or an admission with respect to their Chapter 11 cases, including any issues involving objections to claims, substantive consolidation, defenses, affirmative claims against third parties or rights against third parties, or other issues that typically arise under the Bankruptcy Code.

Notes on Schedules of Assets and Liabilities

Method of Valuation

3. For each of the Debtors’ bank accounts, the amounts listed are the beginning bank statement balances as of July 30, 2019, (the “Petition Date”). Except for these beginning bank account balances, the

assets and liabilities of each Debtor are listed on the basis of the book value of the asset or liability in the respective Debtor's accounting books and records. The book value may not correspond to the fair market value, or liquidation value, either of which may be higher or lower.

Intercompany Receivables and Payables

4. Among the various Debtors, there are intercompany receivables and payables. The documents that reflect those receivables and payables and number of debits and credits among the Debtors are extremely voluminous. As such, these intercompany amounts are not detailed in the Debtors' respective Schedules and SOFAs as separate assets and liabilities.

Notes on Statements of Financial Affairs

Insiders

5. The Debtors have attempted to include all payments made on or within 12 months before the Petition Date to any individual or entity deemed to be an "insider." The listing of a party as an insider in any of the SOFAs is not intended to be nor should be construed as a legal characterization of such party as an insider, and does not act as an admission of any fact, claim, right or defense, and all such rights, claims, and defenses are hereby expressly reserved.

Respectfully submitted this 30th day of August 2019.

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